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FROM : Amembassy ACCRA — 257 NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON — November 16, 1961 DATE

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DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY RS DATE 14 MAY 1982

PORTIONS DENIED AS INDICATED

SUBJECT: Visit of Randall Mission.

Mr. Clarence B. RANDALL, accompanied by Mr. Abram CHAYES, Legal Adviser of the Department of State, and Mr. Harry SHOOSHAN, Assistant Managing Director, Development Loan Fund, visited Accra from October 25 to October 28 to appraise the Volta River Project on behalf of the President. By this time Ambassador Randall presumably has reported to the President and his associates have reported to their respective agencies. The present despatch is designed to summarize their program here and to provide a brief appraisal of the visit from the point of view of the Embassy

The Embassy considers that the postponement of the signing of the agreements for the Volta River Project, originally scheduled for October 5, and the appointment of Mr. Randall to undertake the final appraisal were both highly useful developments.

[redacted]

On Thursday morning, October 26, Mr. Randall talked with President Nkrumah for an hour and a quarter. This being the crucial portion of the visit, President Nkrumah was obviously well prepared for the questions and was effective in answering Mr. Randall's questions and in presenting the Ghanaian point of view.

At a dinner given by the President for the Randall mission and the Ambassador on Friday evening October 27, President Nkrumah appeared, in contrast to the previous day, rather tired and preoccupied. He frequently

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showed flashes of his usual vigor and charm, but then lapsed into a mood of fatigue and distraction showing the heavy strain of recent developments upon his physical and mental energies.

During the course of his visit Mr. Randall had useful conversations with Sir Robert JACKSON, Economic Adviser to the President, Sir Arthur SNELLING, United Kingdom High Commissioner, and Mr. Bruce WILLIAMS, Canadian High Commissioner. Mr. Randall called on the Minister of Finance, Mr. F.K.D. GOKA,

[redacted] B1 ED

Mr. Chayes and Mr. Shoosban, accompanied by DCM Green, called on the following senior officials: Mr. A.K. FUPLAMPU, Acting Minister of Foreign Affairs, and Mr. Richard AKWEI, Principal Assistant Secretary, Political Division; Mr. M.F. DEI-ANANG, Director, African Affairs Secretariat; Mr. H.F. WILFUL and Mr. E.R. HAYFORD, Principal Secretaries, Volta River Secretariat; Mr. AMOAKO-ATTA, Acting Governor of the Bank of Ghana; Mr. J.T.L. PHILLIPS, Principal Secretary, Budget Secretariat; Mr. A.J. WILLING, Principal Assistant Secretary, Ministry of Finance; Mr. E. MILLAR-CRAIG, Principal Secretary, and Mr. D.H. MENSAH, Executive Secretary, National Planning Commission; Mr. B.N. OMABOE, Government Statistician and Member of Planning Commission; and a junior assistant to Mr. K.N. ARDEN, Principal Secretary, Ministry of Light and Heavy Industry.

[redacted] B1 ED

other officials, showed a high degree of ability and experience and were obviously well-prepared for these conversations. They provided the visitors with considerable amount of statistical information and, when this information was not readily available, they sent the material later to the Embassy.

The conversations with the Acting Minister of Foreign Affairs, Mr. Fuplampu, and with the Director of the African Affairs Secretariat, Mr. Michael F. Dei-Anang, were particularly useful from the point of view of the Embassy. Mr. Chayes made a highly effective presentation of the United States position to the Acting Foreign Minister and his associates, paralleling the presentation being made at the same time to President Nkrumah.

[redacted] B1 ED

Mr. Dei-Anang talked at length and with eloquence about Ghana's aspirations for African unity and for the liberation of the remaining African dependent territories. Mr. Chayes pressed him hard about Ghana's loans to Guinea and Mali, which gave the impression that Ghana was not in immediate need of economic aid itself, and asked Mr. Dei-Anang whether his Government intended to continue such loans in the future. Mr. Dei-Anang refused to commit his Government one way or the other.

The Ambassador arranged two meetings at the Residence on Saturday, October 28—one with American businessmen and one with British businessmen.

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A report of the conversation with the American business is enclosed. The conversation with the British businessmen, whose names are listed in a separate enclosure, followed much the same line.

At the request of Mr. Chayes and Mr. Shooshan, a breakfast meeting was arranged with the editors of the two Government-controlled newspapers—T.D. BAFFOE, Ghanaian Times, and Eric [illegible], Evening News. However, only the former appeared, half an hour late.

A luncheon meeting with some of the African Ambassadors was arranged at the DCM's residence on Saturday noon, to enable the Messrs. Chayes and Shooshan to obtain the views of other African Governments as well as that of India. The luncheon included the following: H.E. Mr. Mesfin BEGASHET, Ambassador of Ethiopia; H.E. Mr. George Flamma SHERMAN, Ambassador of Liberia; Mr. Sinenta KALSOUM, Counselor of Embassy of Mali; Mr. L.O. HARRIMAN, Acting High Commissioner of Nigeria; and H.E. Shri Khub CHAND, Ambassador of India. The African Ambassadors seemed genuinely pleased to be invited to meet members of the Mission and to have a chance informally to voice their views on the Volta River Project. Most of them urged that the United States should go ahead with the project.

For the Ambassador:

James Frederick Green
Counselor of Embassy

Enclosures:

Annex A: Memorandum of Conversation.
Annex B: List of British Businessmen.

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Amb Embassy ACCRA

Subject: Meeting on [redacted], October 20, 1961.

Participants: [redacted] b6

Ambassador [redacted]
Mr. Clarence [redacted], Consultant to President on Special Foreign Assistance Projects
Mr. Abram Chayes, Legal Adviser, Department of State
Mr. Harry Shoeman, Assistant Managing Director, DLF
Mr. David B. Bolen, Second Secretary of Embassy

Mr. Randall began the conversation by stating that he wished to get advice and comfort on the Volta River Project. He indicated that participants should feel free to mention company problems. [redacted] b6

[redacted] b6

[redacted] also said that failure to proceed with the Volta would cause other Africans to feel that the United States had let Africa down. He asserted that African states tend to identify themselves with Ghana and President Nkrumah.

[redacted] b6

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of increasing American [illegible] the hope and presence of American private [illegible] the Volta. [redacted] B6

[redacted]

Mr. Randall [illegible] to [illegible] oil company problems would be solved if the Volta [illegible] Mr. Byrd indicated that Pillsbury problem [illegible] that the Board would not proceed with the Pillsbury [illegible] if the Volta River Project were not signed. Mr. [illegible] Continental Oil's problem would not be cleared up. Mr. [illegible] long-term of reference was long-run, "never mind the short-run." [illegible] that "in the long-run it would add to our point of view."

[redacted] B6

Mr. Randall inquired if [redacted] was expressing doubt about the [redacted] B1
Government's financial capacity to carry out its Volta commitments. [redacted] B6
responded in the affirmative. In response to a comment by Mr. Randall, [redacted] B1
said the signing of the Volta would have a healthy effect provided some strings were attached. Mr. Randall asked if signing would do $201 million worth of good. [redacted] asserted that the United States could influence B6.
policy. Mr. Randall emphasized that the United States does not use dollars to influence the policies of free nations. He reiterated that the documents are so drawn as to protect the United States [illegible] Mr. Randall asked [redacted] B6

Mr. Randall then inquired [illegible] should demand that problems of every individual [illegible] [redacted] replied in the negative. B6
He asserted that by signing, we should provide means to halt the drift toward the left. [redacted] was entering the investment B6
picture here, the document would be drawn to protect Company's interest. [redacted] thought that the U.S. Government should proceed to protect existing investors. B6

[redacted] B1
said that he would [illegible] to see the countries [illegible] in a more friendly manner.

[redacted] B6

[redacted] B6

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reiterated this view and said that the Volta meant everything to President Nkrumah. [redacted] 1.5(b)

[redacted] He went on to point out that the failure to sign the agreements would cause a hysterical reaction, possibly leading to the nationalization of everything. "Western economic influence would be out the window." Mr. Randall pointed out that if all contingencies failed the United States Government would be obligated to the extent of $201 million.

[redacted] 1.5(b)

Mr. Randall inquired if the Ghanaians liked the Russians. [redacted] B6

[redacted] Mr. Randall asserted that colonialism was a reaction against the white man and that the Soviet Union is less skilled in dealing with former colonial territories.

Mr. Randall requested the views of [redacted] 1.5(b) said he did not want to waste time on company problems but wanted to comment on some general matters. [redacted] said that since the Sandys-Nkrumah communique the West African Committee had met with President Nkrumah who urged business firms to approach him and "lay their problems on the table." He mentioned a letter to the State Control Commission requesting a meeting between the oil companies and parties to the AGIP oil refinery agreement. Two days later the oil companies received a negative reply. [redacted] said that he could not look to the United States to attach conditions to the loan agreement but what matters is the climate.

[redacted] Because of the press hostility this was "changing and people now brow-up on the street." He referred to the recent action requiring branches of the CPP in churches and commercial organizations. He said that participation in politics was against his company's policy. He said the formation of the CPP branches would constitute a mechanism for coercion.

[redacted] mentioned that he recently had an occasion to talk with Mr. Myshkov, Commercial Counselor at the Soviet Embassy. [redacted] that Mr. Myshkov indicated that the Soviet Union would finance the dam should the United States fail to do so. Nkrumah was told by Soviet representatives that the USSR was prepared to build the Volta dam.

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Mr. Chayes said that the Volta problem had been formulated in terms of either proceeding or cancelling and not in terms of waiting to see. [redacted] B6

[redacted]

Mr. Randall commented on the notion that President Nkrumah would turn to the USSR. He expressed the view that President Nkrumah had a deep religious faith and a spiritual side which made atheism a revolting concept. He would have a difficult time accepting atheist doctrine. [redacted] agreed with this view. He noted, however, that branches of the CPP were being formed in all organizations such as one would find in the Communist world. He noted that Nkrumah was subject to the influence of Adamafio. [redacted] went on to point out that there should be strings attached in the form of a gentleman's agreement. B6

Mr. Randall alluded to the reference to a gentleman's agreement and noted that the Volta was a 7 year project and such an agreement might not mean much. He requested an expression of views on the continuity of President Nkrumah's regime. [redacted] expressed the view that President Nkrumah would not last 7 years. [redacted] said the left would take over within 7 years. [redacted] thought that the important thing was the attitude of the people and that even signed agreements were not significant. [redacted] said that the signing of the Volta agreements would prolong the political life of President Nkrumah. [redacted] said that he would give the President 7 years. B6 B6 B6

Mr. Randall noted that the cocoa farmers were powerful and called attention to conclusion of trade agreements with the Soviet Bloc providing for the export of cocoa. Mr. Randall said that he had no objection to Ghana trading with the Soviet Bloc. He noted, however, that Ghana would experience difficulty in its trade relations with the Soviet Union. Mr. Randall observed that the trade agreements contained a clause prohibiting re-export outside the Soviet Bloc. He went on to point out that the Soviets had re-exported Egyptian cotton, Burmese rice and Cuba sugar. They would also re-export Ghana's cocoa. The market would break and the cocoa farmer would react. [redacted] said that President Nkrumah's political life depends on the people. He noted that discontent among the cocoa farmers and laborers was "boiling fast" and would explode. B6

Mr. Randall raised the question as to whether President Nkrumah would use force to stay in power. [redacted] He thought that President Nkrumah was a person in deep torment and [redacted] He honestly credited President Nkrumah as a person with a code [redacted] He said that President Nkrumah tended to deal with problems with his emotions rather than his mind. In respect to the Volta President Nkrumah could not conceive that resources may be inadequate to carry the burden. [redacted] Business participants agreed with this point of view. B6 B6 B6 B6

Mr. Shooshan referred to [redacted] statement regarding discontent and a possible revolt from the right because of the austerity budget. He noted B6

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that the budget was a move in the direction of fiscal responsibility. He inquired if the right would be less responsible from a fiscal point of view. [redacted] referred to expenditures for the airline, Black Star Square and defense as evidence of fiscal irresponsibility on the part of Nkrumah's Government. Labor does not like the forced savings scheme and the tax program. Mr. Shooshan observed that if these elements gain control presumably they would not want to put up money for the Volta. B6

Mr. Randall said that the Soviet Ilyushin aircraft, the trawlers and other Soviet assistance might operate to create a favorable image of the United States. Mr. Randall noted that there were many problems associated with the Volta dam and expressed doubt if the Soviets could do the job. [redacted] B6

A question was raised about the Bui Dam to be investigated and designed by the Soviets. Mr. Randall said that Bui bears on economic stability and that it would be utter madness to proceed with it. He noted that the Volta project could provide adequate power for the North and suggested there was no possible justification for Bui.

In concluding the meeting, Mr. Randall thanked the business representatives for their views. He was delighted that they could come and said the outward thrust of private concerns here was deserving of every credit.

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ANNEX B

Meeting with British Businessmen
Ambassador's Residence
Saturday, October 28, 11:00 a.m.

[redacted]

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